

Exhibit B

JONES DAY

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Direct Number: (202) 879-3768
gsirwin@JonesDay.com

October 7, 2013

BY FIRST CLASS MAIL

Thomas N. Ciantra
Cohen Weiss and Simon
330 West 42nd Street
New York, New York 10036-6979

Re: City of Detroit

Dear Mr. Ciantra:

This letter responds to your letter of October 2, 2013, regarding documents which the City of Detroit withheld from its document production on the basis of a privilege, as identified on the accompanying privilege log. Rather than respond to the factual and legal assertions in your letter, with which we disagree, we believed the most productive approach was to again review the documents you identified, to determine whether the privilege claim was correct, and if so, whether the privilege log correctly reflected available information. As you know, you have asked us to investigate 423 documents in just a few days and we have done our best to oblige, but require additional time for certain documents. The size and exigent circumstances of this document production contributed to the mis-designation of some documents as privileged that were not, if fact, privileged. Indeed, some of the document you have identified have already been produced provided elsewhere in our own production. We will address the documents according to the categories to which you assigned them.

Exhibit A Documents

Your letter describes these documents as dated before March 15, 2013, for which a common interest privilege was claimed.

The following Exhibit A documents have already been produced:

10568 DTMI00151454
7219 DTMI00156103-6104
7220 DTMI00156105-6107
9830 DTMI00203649

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We are preparing the following Exhibit A documents for production, and no longer claim any privilege with respect to these documents.

0349	8901	2930	8931	7280
10482	8904	7232	9830	7287
10544	8910	7274	9732	8823
10592	8926	7284	0565	8900
10645	9749	7596	10509	8903
3401	8925	8898	10557	8906
7273	0405	8902	10621	8924
7283	10483	8905	2931	9733
7289	10556	8923	7242	10629
8824	10606	0484	8825	

The City of Detroit is asserting attorney-client privilege, but not the common interest privilege, with respect to the Exhibit A documents listed immediately below. Although the date of these documents is earlier than the date Jones Day's retention agreement was reduced to writing, the City was involved in various efforts related to restructuring, with the advice of counsel both from the City of Detroit Law Department, and the firm of Miller Canfield, before Jones Day was retained. Further, the privilege can attach to pre-retention communications. *See, State Farm Mut. Auto. Ins. Co. v. Hawkins*, No. 08-10367, 2010 BL 125273, at *4 (E.D. Mich. June 04, 2010) ("the privilege is not limited to fully consummated attorney-client relationships; it applies also to communications between a prospective client consulting with an attorney.") (citing *Devich v. Dick*, 143 N.W. 56, 58 (Mich. 1913).); *Kearns v. Fred Lavery/Porsche Audi Co.*, 573 F. Supp. 91, 94 (E.D. Mich. 1983) ("Communications in the course of preliminary discussions with a view to employing the lawyer are privileged . . .") (quoting McCormick on Evidence, 2d ed. 179 (West Publishing Co. 1972)).

PRIV Number	Additional Information/Comments
7571	The privilege log will be corrected to reflect that author is Ernst & Young.
8784	Privilege log reflects that Michael McGee, an attorney from Miller Canfield, was a recipient of this communication.

With respect to the remaining Exhibit A documents listed immediately below, the City of Detroit is assessing whether these documents are subject to the attorney-client privilege and common interest doctrine. We will get back to you shortly on these: 8826, 8841, 4959.

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Exhibit B Documents

You described these documents as dated before the retention of Jones Day by the City, for which the attorney-client privilege was asserted. Of course, the city has and had retained many other law firms to advise it with respect to various matters prior to the time they retained Jones Day.

The following Exhibit B documents have already been produced:

0394 DTMI00166138-197

0414 DTMI00166198-200

5665 DTMI00146890-147206

Moreover, we are preparing the following Exhibit B documents for production, and no longer claim any privilege with respect to these documents.

0277	0348	0398	0512	5658
0296	0349	0399	0513	5660
0297	0359	0400	0514	5662
0298	0369	0405	0517	5663
0301	0370	0407	0519	5664
0302	0371	0408	0520	5665
0303	0372	0411	0521	5698
0304	0373	0414	0523	5710
0305	0375	0493	0524	9672
0306	0376	0494	0551	9685
0307	0377	0496	0553	9692
0308	0378	0497	0555	9719
0310	0380	0498	0565	9720
0321	0381	0499	0566	9726
0322	0382	0502	4890	9731
0333	0383	0505	5630	9738
0335	0386	0506	5637	9739
0339	0388	0507	5649	9740
0340	0394	0508	5650	9742
0342	0395	0509	5652	9745

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0344	0397	0511	5656	9749
0267	2930	2931		

The following Exhibit B documents were included on our original privilege log as attachments. The city is still asserting a privilege for these documents as they reflect attorney markings.

PRIV Number	Additional Information/Comments
5755	This document is reflected in error on the privilege log as "Work Product." It should be reflected as "Attorney-Client Privileged." It reflects an attorney notation. The parent email, PRIV5754, reflects the attorneys involved with this communication.
5968	This is the same document as PRIV 5755, and reflects the same notation. The parent email, PRIV 5967, reflects the attorneys involved with this communication.

The remaining Exhibit B documents were created in the period immediately prior to the date on which the City of Detroit engaged Jones Day as counsel, but nonetheless reflect attorney-client communications and thus remain privileged: 9660, 9661, 9664, 9667.

Exhibit C Documents

According to your letter, these are documents for which the common interest privilege was asserted, yet which lack documentation on the privilege log sufficient to support that assertion. Specifically, you state that no attorney was identified in the description of these documents.

The following Exhibit C documents have already been produced:

10730	DTMI00217102	6275	DTMI213740
2944	DTMI00202331-2361	8405	DTMI00203279-80
3012	DTMI00210446	8406	DTMI00203281-82
3415	DTMI00211375	8407	DTMI00203283
3795	DTMI00212692	8530	DTMI00203319
3798	DTMI00212693	8531	DTMI00203322
3979	DRMI00213055	8532	DTMI00203324

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3991	DTMI00213056	8567	DTMI00203376
4266	DTMI002087093	8932	DTMI00203650

We are preparing the following Exhibit C documents for production, and no longer claim any privilege with respect to these documents.

0020	7287	10423	7267	10635	7516
10636	7523	10637	7283	10767	7525
10800	7540	10801	7289	10802	7679
10803	8005	10804	7524	10805	8152
2744	8153	3118	7674	3144	8223
3165	8390	3185	8006	3142	8393
3276	8543	3332	8220	3333	8542
3368	8647	3248	8542	3765	8636
3981	8696	4066	8544	4183	8695
4230	8894	4233	8694	4403	8890
4424	8902	4427	8713	4461	8901
4490	8905	6569	8900	7121	8904
7165	8932	7173	8903	7221	8907
7228	7260	7234	8823	7242	9442
7247	7274	7248	8906	7253	7284
			9018	7268	8825

The City of Detroit is asserting attorney-client privilege, but not the common interest privilege, with respect to the documents listed immediately below. With respect to these documents, if the data on the privilege log was incorrect, or could be supplemented, we provide that information here. One recurring problem, especially with the documents in Category D, but also with the documents in this category, is that you have separated the parent email from the attachments. The information on the log with respect to the parent email (date, author, etc.) should inform your judgments as to the privileged nature of the attachment.

PRIV Number	Additional Information/Comments
0086	The entry on the log was undated, but should reflect a date of 05/22/2013. This is a draft spreadsheet authored b2744y Ernst & Young in the context of the restructuring, to aid Jones Day and Miller Canfield.

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PRIV Number	Additional Information/Comments
10848	This email forwards an email from Dan Moss of Jones Day. If the privileged portion of the email were redacted, the resulting document would be non-responsive.
1351	This draft spreadsheet was prepared by both Conway MacKenzie and Jones Day. The email is attached to a parent email (PRIV 1350) which is privileged itself, but that entry on the privilege log provides further information as to the lawyers and advisors drafting and using the spreadsheet.
1527	This is the same draft spreadsheet as 1351. The parent email is at PRIV 1526.
2315	This is a draft spreadsheet prepared by Ernst & Young, for Jones Day. The parent email (PRIV 2315) provides the identity of the lawyers communicating regarding the chart.
2316	This is a draft spreadsheet similar to PRIV 2315, with the same parent email.
2317	This is a draft spreadsheet similar to PRIV 2315, with the same parent email.
2750	This is a draft document authored by Jones Day. The privilege log erroneously identifies the author as Kevyn Orr.
2982	This is an outline that was prepared by Conway MacKenzie. The parent email (PRIV 2981) provides the identity of the lawyers communicating regarding the chart.
3084	This is a draft chart prepared by Ernst & Young in connection with work done by Jones Day for the City of Detroit. Please see parent email at PRIV 3083.
3208	This is an email from B. Nowling to K. Orr forwarding another email from Abernathy MacGregor (a public relations firm working for the City) to all the advisors (including Jones Day) requesting advice.
3210	This was an attachment to PRIV 3208 above, and is a draft document sent to the advisors (including

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PRIV Number	Additional Information/Comments
	Jones Day).
3211	This was an attachment to PRIV 3208 above, and is a draft document sent to the advisors (including Jones Day).
4022	This is an email that forwards another email from S. Mays to K. Orr which discusses legal advice. We will produce a redacted version.
4334, 4335, 4336	These are the same documents as 3208 (not identical; this is the email forwarded by PRIV 3208), 3210, and 3212. In this instance of the parent email, the recipients of the email were not included in the privilege log. They are: Bill Nowling, Bruce Bennett*, Corinne Ball*, David Heiman*, Heather Lennox*, Jeffrey Ellman*, James Doak, Kenneth Buckfire and Kyle Herman.
4406	This is a draft document attached to an email sent by The Abernathy MacGregor Group (a public relations firm working for the City) to Jones Day and other advisors. See parent email at 4405 for identification of the attorneys that this was sent to.
4407	This is the same document as 4406 above.
4423	The privilege log erroneously identifies Bill Nowling as the author of this document. It was authored by Jones Day.
7566, 7567, 7569	These spreadsheets were all prepared by Ernst & Young for Jones Day.
7813	This is an email between advisors at Conway MacKenzie and at Milliman regarding privileged matters.
7814	This is the another version of the email string at PRIV 7813 above, and contains communications among the advisors regarding privileged matters.
8411, 8412, 8413, 8414, 8415, 8416, 8417, 8418,	Emails, and an attached draft document, communicating among advisors about matters undertaken with the advice and on behalf of Jones Day.

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PRIV Number	Additional Information/Comments
8419, 8420	
8450	Email reflects status of Jones Day legal advice.
9355	This is a draft spreadsheet prepared for Ernst & Young for Jones Day. The parent email, PRIV 9354, reflects the attorneys involved in the communication about this document.
0732	This document appears in error on the log to have been authored by Jones Day, and Rick Snyder (as does PRIV 0731, another attachment to the same parent email). Both were authored by Jones Day.

With respect to the documents listed immediately below, the City of Detroit is asserting both attorney-client privilege and common interest privilege. Errors in the privilege log as well as additional information about the document are listed below.

PRIV Number	Additional Information/Comments
0081	This document appears undated on the log, but is dated 06/06/2013. The parent email, PRIV 0080, reflects the attorneys and Michigan state officials involved with this document.
0093	This document appears undated on the log, but is date 06/03/2012. This is a different version of PRIV 0081, above. The parent email, PRIV 0092, reflects the attorneys and Michigan state officials involved with this document.
0224	This document appears undated on the log, but is dated 04/08/2013. The parent email, PRIV 0223, reflects the attorneys and Michigan state officials involved with this communication.
0458	This document appears undated on the log, but is dated 05/14/2013. The parent email, PRIV 0457, reflects the attorneys, advisors, and Michigan state officials involved with this document.
0979	The parent email, PRIV 0977, reflects the attorneys and further contains an email string indicating that the document was sent to Andy

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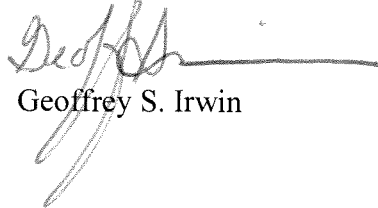
PRIV Number	Additional Information/Comments
	Dillon of the State of Michigan.
0980	The parent email, PRIV 977, reflects the attorneys involved with this communication and further contains an email string indicating that the document was sent to Andy Dillon of the State of Michigan.
0981	The parent email, PRIV 977, reflects the attorneys involved with this communication and further contains an email string indicating that the document was sent to Andy Dillon of the State of Michigan.
3236	This email forwards several emails from Brian Sedlak*, to K. Orr which reflect attorney-client privileged communications.
3460	Email discusses attorney-client communications, and forwards an email to C. Ball*, J. Telpner *, D. Heiman*, and Miller Canfield attorneys.
3602	Email string building on PRIV 3460, above.
4079	Email forwards email from Jeffrey Ellman*, to Bill Nowling, Kevyn Orr, Sonya Mays, Shani Penn, Brom Stibitz, Andy Dillon, Thomas Saxton, Greg Tedder, with cc to C. Moore, G. Malhotra, B. Bennett*, C. Ball*, D. Heiman*, H. Lennox*, and K. Buckfire containing privileged communications.
4338	Email forwards email string among Jeffrey Ellman*, David Heiman*, cc Kevyn Orr, Corrine Ball,* and A. Dillon, reflecting privileged communications.
6483	Email from Kevyn Orr to Andy Dillon reflecting privileged communications.
6601	Same email string as PRIV 3460 and 3602, above.
6645	This is the same document as PRIV 4423 (for which attorney-client privilege is asserted, above). This document was shared with Michigan state officials.
8664	Email reflects confidential communication with

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PRIV Number	Additional Information/Comments
	attorney.
8666	Same email string as PRIV 8664.
8667	Same email string as PRIV 8664.
8668	Same email string as PRIV 8668.

Due to the very tight time period you requested for our response, we are not yet finished with our analysis of the documents you categorized to Exhibit D, although we hope to have that completed by tomorrow. The major issue we are finding with the documents listed in Exhibit D is that you need to refer to the parent email to determine which lawyers were involved with the attachment. We will provide our response on those documents as soon as we can.

Sincerely,



Geoffrey S. Irwin

Exhibit C

JONES DAY

51 LOUISIANA AVENUE, N.W. • WASHINGTON, D.C. 20001.2113
TELEPHONE: +1.202.879.3939 • FACSIMILE: +1.202.626.1700

October 7, 2013

BY FIRST CLASS MAIL

Thomas N. Ciantra
Cohen Weiss and Simon
330 West 42nd Street
New York, New York 10036-6979

Re: City of Detroit

Dear Mr. Ciantra:

In our letter yesterday, we informed you that we would get you the results of our analysis of the documents you categorized as Exhibit D documents in your letter of October 2, 2013, as soon as possible. This letter provides the results of that analysis.

Exhibit D Documents

Your letter describes these documents as having no source or recipient listed on the privilege log.

The following Exhibit D documents have already been produced:

3417 - DTMI00211376-380	8537 - DTMI00203327-3328
8538 - DTMI00203329-3348	10518 - DTMI00150711-0855
10519 - DTMI00150856-1012	10553 - DTMI00151050-1071
10554 - DTMI00151072-1213	8824 - DTMI00234951-4956

We are preparing the following Exhibit D documents for production, and no longer claim any privilege with respect to these documents.

0094	0484	5371	5372	6131	3401
5317	5372	6984	7225	7505	7680
8008	8534	8535	8648	8650	8699
8700	8895	8954	8955	9443	9733
10500	10509	10510	10523	10524	10526
10527	10545	10546	10563	10564	10566
10567	10598	10599	10600	10612	10613
10614	10625	10626			

The City of Detroit is asserting attorney-client privilege, but not the common interest privilege, with respect to the Exhibit D documents listed in the chart that follows. We have provided additional information when available, as well as identified corrections to the privilege log.

ALKHOBAR • ATLANTA • BEIJING • BOSTON • BRUSSELS • CHICAGO • CLEVELAND • COLUMBUS • DALLAS • DUBAI
FRANKFURT • HONG KONG • HOUSTON • IRVINE • JEDDAH • LONDON • LOS ANGELES • MADRID • MEXICO CITY
MILAN • MOSCOW • MUNICH • NEW DELHI • NEW YORK • PARIS • PITTSBURGH • RIYADH
SAN DIEGO • SAN FRANCISCO • SHANGHAI • SILICON VALLEY • SINGAPORE • SYDNEY • TAIPEI • TOKYO • WASHINGTON

PRIV Number	Additional Information/Comments
0450	The privilege log erroneously reflects no date or author for this document. This draft report is dated 05/29/2013, and was authored by Jones Day. Reference to the parent email, PRIV 449, will reflect the lawyers and advisors involved with this document.
0451	The privilege log erroneously reflects no date or author for this document. This draft report is dated 05/29/2013, and was authored by Jones Day. Reference to the parent email, PRIV 449, will reflect the lawyers and advisors involved with this document.
1955	The privilege log erroneously reflects no author for this document. The author is Oliver S. Zeltner, a Jones Day lawyer. Reference to the parent email, PRIV 1953, will reflect the lawyer this document was sent to.
2697	The privilege log erroneously reflects no author for this document. The author is Oliver S. Zeltner, a Jones Day attorney. Reference to the parent email PRIV 2696, will reflect the lawyer this document was sent to.
2698	The privilege log erroneously reflects no author for this document. The author is Oliver S. Zeltner, a Jones Day attorney. Reference to the parent email 2696, will reflect the lawyer this document was sent to.
6139	The privilege log erroneously reflects no author or date for this document. This document is dated 02/07/2013, and was authored by Michael McGee and Richard Warren of Miller Canfield.
6232	The privilege log erroneously reflects no author for this document. This document was authored by Jones Day.
6315	The privilege log erroneously reflects no author for this document. This document was authored by Jones Day.
6390	The privilege log erroneously reflects no author for this document. This draft letter was authored by John Willems of Miller Canfield.
10454	The privilege log erroneously reflects no author or date for this document. The author is Cadwalader, a firm that does not represent the City. However, the document reflects comments by Miller Canfield. The date of the document is 03/02/2013.

With respect to the Exhibit D documents listed in the chart that follows, the City of Detroit is asserting both attorney-client privilege and common interest privilege. Errors in the privilege log as well as additional information about the documents are listed below.

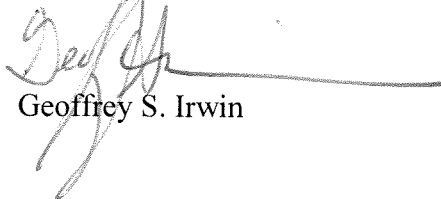
PRIV Number	Additional Information/Comments
0088	The privilege log erroneously reflects no author for this document. This draft presentation was created by Ernst & Young for Jones Day, and was shared with Michigan state officials. Reference to the parent email, PRIV 0087, reflects the attorneys and Michigan state officials involved with this document.
0089	The privilege log erroneously reflects no author for this document. This draft presentation was authored by Jones Day. Reference to the parent email, PRIV 0087, reflects the attorneys and Michigan state officials involved with this document.
0090	The privilege log erroneously reflects no author for this document. This draft presentation was authored by Jones Day, and was shared with Michigan state officials. Reference to the parent email, PRIV 0087, reflects the attorneys and Michigan state officials involved with this document.
3060	The privilege log erroneously reflects no author for this document. This draft report was drafted by Jones Day. Reference to the parent email, PRIV 3058, reflects the attorneys and Michigan state officials involved with this document.
7148	The privilege log erroneously reflects no author, recipient or cc's for this email. The document is an email string among Brom Stibitz, a Michigan state official, Shani Penn, Jeff Ellman*, Laura Bassett* and Michael McGee.* CCs include K. Orr, A. Dillon, T. Saxton, and G. Tedder (the last three are Michigan officials)
8339	The privilege log erroneously reflects no author for this document. The author is Daniel Moss of Jones Day. Although the document is not dated, the parent email, PRIV 8338, reflects a date of 05/09/2013, and also reflects that the original email to which this document was attached was sent to Greg Tedder, a Michigan state official.
8399	The privilege log erroneously reflects no author for this document. The author is Ernst & Young. Reference to the parent email, PRIV 8398, reflects the lawyers and

PRIV Number	Additional Information/Comments
	Michigan state officials, involved with this document.
8431	The privilege log erroneously reflects no author or date for this document. The date is 04/25/2013, and the author is Ernst & Young. Reference to the parent email, PRIV 8429, reflects the lawyers and Michigan officials involved with this document.
8432	The privilege log erroneously reflects this document as undated. It is dated 04/26/2013. Reference to the parent email, PRIV 8429, reflects the lawyers and Michigan officials involved with this document.
8433	The privilege log erroneously reflects this document as undated. It is dated 04/26/2013. Reference to the parent email, PRIV 8429, reflects the lawyers and Michigan officials involved with this document.

The City of Detroit is still assessing its position with respect to privileges applicable to the following documents: 7571, 8637, 8639, 8785, 8824. We will get back to you shortly on those documents.

In addition, we produced one document, PRIV 4416 – DTMI00209362, that we request you destroy all copies of, pursuant to the terms under which we produced these documents, because it is a privileged document, authored by a Jones Day attorney.

Sincerely,



Geoffrey S. Irwin

Exhibit D

From: Geoffrey S Irwin [<mailto:gsirwin@JonesDay.com>]

Sent: Tuesday, October 15, 2013 10:49 PM

Cc: slevine@lowenstein.com; wjung@lowenstein.com; pgross@lowenstein.com; bceccotti@cwsny.com; pdechiara@cwsny.com; anthony.ullman@dentons.com; lbrimer@stroblpc.com; mtaunt@stroblpc.com; mfield@stroblpc.com; eeraman@ermanteicher.com; czucker@ermanteicher.com; bpatek@ermanteicher.com; Gordon, Robert D.; Deeby, Shannon L.; Green, Jennifer K.; Feldman, Evan J.; charlesidelsohnattorney@yahoo.com; Gregory Shumaker

Subject: City of Detroit

Ms. Green:

I am in receipt of your email on Saturday night to Greg Shumaker regarding privilege claims. As to your general question regarding the production of attachments, each document in the review is analyzed as a stand-alone document for privilege purposes, unless there are circumstances in the cover email or attachment which would make the attachment privileged or work product in the context of the entire collection of documents (for example, the cover email reflects that the markings on the attachment are from an attorney; or the cover email is forwarding a set of documents and requesting attorney advice with respect to those documents). Each document on the privilege log, whether a parent email or an attachment, is designated with its own number, and when counsel sends us a request to produce a document on the privilege log with reference to a specific number, we analyze that document alone, not that document and all the attachments. Of course, the log also reflects if the document is a parent or attachment, to aid you in determining the relationship between the documents. The bottom line is that we did not analyze the privileged status of the documents that you did not request that we analyze, whether they were parents or attachments. Another reason we proceed in this way is that if we assume you are challenging the privileged status of all of the attachments to a document, it increases the time it takes to respond to your request, perhaps needlessly, if you have no intention of challenging the privileged status of the attachment.

The example you provided is a case in point (DTMI002333348-3349). This document has eight attachments. Based on your request that we produce those attachments, we have gone back and reviewed the status of the attachments. The attachments to this email, and the email itself, are all privileged. To the extent any of this email and any of its attachments have previously been inadvertently produced, we request that you return or destroy them pursuant to the reservation of rights regarding the inadvertent production of any documents protected by the work product doctrine, common interest doctrine, the attorney-client privilege or any other applicable privilege.

We will address the status of each of the parent email, as well as each attachment, as they are described at the bottom of the parent email:

(1) Email dated 06/05/2012 from Thomas A. Wilson to Heather Lennox; cc to Corinne Ball, and Jeffrey Ellman. This email appears as PRIV 9731 on our first privilege log, and 2677 on our second privilege log, and the attorney-client privilege is claimed for this document. After further investigation, we believe that this document is shielded from

production by the work product doctrine. The document was inadvertently produced at DTMI00233348, and we request its return or destruction.

(2) Document listed as "NYI_4399007_4_Detroit_Memo Re Public Act 4 and Chapter 9.DOCX." This document was listed on our first privilege log as PRIV 5621, and on our second privilege log as PRIV 2678. Both the attorney-client and work product doctrine were claimed with respect to this document. After further investigation, we believe that this document is shielded from production by the work product doctrine. The document has not been produced.

(3) Document _1933683_13_Detroit - Memorandum Analyzing Various Aspects of Proposed DWSD Transaction.DOCX." This document was listed on our first privilege log as PRIV 1199, PRIV 9732, PRIV 1204, and PRIV 9681, and on our second privilege log as PRIV 2618. The attorney-client privilege was claimed, as well as the common legal interest doctrine. After further investigation, we believe that this document is shielded from production by the work product doctrine. It was inadvertently produced at DTMI00233350-3404, and we request its return or destruction.

(4) Document listed as "CLI_1934731_6_Detroit - Cover Memo for DWSD Transaction Memo.DOCX." This document was listed on our first privilege log as PRIV 1201, PRIV 1205, PRIV 5625, and on our second privilege log as PRIV 2680. Both attorney-client privilege and the work product doctrine were claimed for this document. After further investigation, we believe that this document is shielded from production by the work product doctrine. It has not been produced.

(5) Document listed as "ATI_2484061_2_City of Detroit - Memo on Michigan Constitutional OPEB Protections.DOC." This document was listed on our first privilege log as PRIV 5708 and on our second privilege log as PRIV 0077, and PRIV 2681, and attorney-client privilege was claimed. After further investigation, we believe that this document is shielded from production by the work product doctrine. It has not been produced.

(6) Document listed as ATI_2483523_2_City of Detroit - Memo on Michigan Constitutional Pension Plan Protections.DOC." This document was listed on our first privilege log as PRIV 5709 and PRIV 5627, and on our second privilege log as PRIV 0076 and PRIV 2682. Both attorney-client privilege and the work product doctrine were claimed. After further investigation, we believe that this document is shielded from production by the work product doctrine. It has not been produced.

(7) Document listed as "CLI_1933048_2_Detroit - Establishing Tri County Authority.DOCX." This document was listed on our first privilege log as PRIV 0482, PRIV 0563, and PRIV 0628 and on our second privilege log as PRIV 2683, PRIV 2619 and PRIV 0139. Claims of both attorney-client privilege and the work product doctrine were claimed. After further investigation, we believe that this document is shielded from production by the work product doctrine. It has not been produced.

(8) Document "Detroit - Seidman Email Memos.pdf." This document was listed on our first privilege log as PRIV 9733, PRIV 5630, PRIV 0399, and on our second privilege log as PRIV 2685. The attorney-client privilege was claimed. On further investigation, we believe that this document is shielded from production by the work product doctrine. It was inadvertently produced at DTMI00233405-3406, DTMI00233441-3442, and DTMI00234872-4873, and we request its return or destruction.

(9) Document "Ability of Various Entities to Enter into Interlocal Agreement.pdf." This document was listed on our first privilege log as PRIV 0564, and PRIV 5629, and on our second privilege log as PRIV 2620 and PRIV 2684. Both the attorney-client privilege and the work product doctrine, as well as the common interest doctrine were claimed. On further investigation, we believe that this document is shielded from production by the work product doctrine. It has not been produced.

Thank you.

Geoff Irwin



Geoffrey S. Irwin • Partner

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Exhibit E

In Re: City of Detroit, Debtor

*Governor Richard D. Snyder
October 9, 2013*

*Moretti Group
471 W. South Street
Suite 41B
Kalamazoo, MI 49007
800-536-0804*



Original File 100913RS.TXT

Min-U-Script® with Word Index

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1 UNITED STATES BANKRUPTCY COURT
2 FOR THE EASTERN DISTRICT OF MICHIGAN
3 SOUTHERN DIVISION - DETROIT
4 -----
5 In re: Chapter 9
6 CITY OF DETROIT, MICHIGAN, Case No. 13-53846
7 Debtor, Hon. Steven W. Rhodes
8 -----
9 V I D E O T A P E D D E P O S I T I O N O F
10 WITNESS: GOVERNOR RICHARD D. SNYDER
11 LOCATION: The Romney Building
12 111 S. Capitol Avenue
13 Lansing, Michigan
14 DATE: Wednesday, October 9, 2013
15 8:38 a.m.
16
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5	Examination by Mr. Wertheimer	106	5	Exhibit 10	July 18, 2013 email
6			6	Re: High Priority with attached	
7			7	July 18, 2013 Letter	
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12	EXHIBIT NO.	DESCRIPTION PAGE NO.	12	Exhibit 11	Oct. 9, 2013 email
13	Exhibit 1	July 16, 2013 Letter	13	Subject: High Priority 159	
14	Re: Recommendation Pursuant to		14	(Exhibit marked post deposition)	
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18	Chapter 9 Bankruptcy Proceeding	59	18	(Exhibits attached to transcript.)	
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1	E X H I B I T I N D E X		1	Lansing, Michigan	
2			2	October 9, 2013	
3	EXHIBIT NO.	DESCRIPTION PAGE NO.	3	8:38 a.m.	
4	Exhibit 5	Jones Day Presentation to	4	- - -	
5	the City of Detroit on		5	MR. WERTHEIMER: William Wertheimer on	
6	January 29, 2013		6	behalf of the Flowers Plaintiffs.	
7	(Bates Nos. DTMI00128731-8805)	96	7	I would like to put on the record the fact	
8	Exhibit 6	City of Detroit Chapter 9	8	that the order that Judge Rhodes entered under which	
9	Communications Rollout Plan		9	we're conducting this and the other State	
10	(Bates No. SOM200001331)	126	10	depositions provides at Paragraph 7 that the State	
11	Exhibit 7	June 3-7, 2013 email chain	11	would complete its document production by October 5	
12	Re: Financial & Operating Plan		12	provided the parties could mutually agree to extend	
13	Power Point		13	that date.	
14	(Bates No. SOM20001327-28)	126	14	That date has not been extended by	
15	Exhibit 8	July 8, 2013 email	15	agreement. As late as last night at 10:15 -- I woke	
16	Re: Detroit		16	up this morning to find that the State had produced	
17	(Bates No. SOM200003601)	141	17	a fourth production that is not in compliance with	
18	Exhibit 9	July 9, 2013 email	18	the order.	
19	Re: Detroit		19	I want to make clear on the record that we	
20	(Bates No. SOM200003657)	141	20	may take the position that we may need to continue	
21			21	the Governor and the other State's depositions after	
22			22	we have reviewed those documents as we have not	
23			23	looked at any of those documents as of now.	
24			24	MS. NELSON: This is Margaret Nelson on	
25			25	behalf of the State.	

<p style="text-align: right;">Page 9</p> <p>1 The fourth production of documents was made 2 under the State's continuing obligation to 3 supplement its discovery responses. So the fact 4 that our production was completed by the fifth, 5 pursuant to the court order, is irrelevant to the 6 fact that we have an ongoing duty to supplement, and 7 that was the purpose for the additional document 8 production yesterday. 9 MR. WERTHEIMER: I'll leave further 10 argument for later. 11 VIDEO TECHNICIAN: Today's date -- hold on. 12 I have to start over again. Give me a second. 13 (A pause was had in the proceedings.) 14 VIDEO TECHNICIAN: Today's date is 15 October 9th, 2013, and we're on the record at 16 8:42 a.m. 17 This is the video deposition of Governor 18 Richard Snyder. We're at the Romney Office 19 Building, 111 South Capitol Avenue in Lansing, 20 Michigan. 21 Could the reporter administer the oath to 22 the Governor, please. 23 - - - 24 -GOVERNOR RICHARD D. SNYDER- 25 called as a witness, being first duly sworn, was</p>	<p style="text-align: right;">Page 11</p> <p>1 through the appropriations process with the 2 legislature and the Governor. 3 Q. My question was would you support an additional 4 level of support? 5 A. I said I've been supportive of improved services for 6 citizens, not necessarily the repayment of debts. 7 Q. That might have been responsive so I don't mean to 8 be argumentative, but the narrower question is would 9 you support an additional level of support for 10 Detroit in order to help deal with the so-called 11 underfunding pension issue? 12 MS. NELSON: Asked and answered. Go ahead. 13 Go ahead. 14 THE WITNESS: Oh. I view that as a -- 15 that's a question that I couldn't answer because 16 it's a hypothetical. It would depend on the entire 17 situation for the facts depending on the potential 18 plan of adjustment for the debts. 19 BY MS. LEVINE: 20 Q. Well, between March 28, 2013 and June 14, 2013, did 21 you have discussions with Kevyn Orr about a business 22 plan or a restructuring plan or a redevelopment plan 23 for the City of Detroit? 24 A. Kevyn Orr was building a plan for creditors they 25 presented in June of this year.</p>
<p style="text-align: right;">Page 10</p> <p>1 examined and testified as follows: 2 EXAMINATION 3 BY MS. LEVINE: 4 Q. Good morning, Governor. 5 A. Good morning. 6 Q. My name is Sharon Levine. I'm with the law firm of 7 Lowenstein Sandler. I'm here on behalf of AFSCME, 8 and we appreciate your appearing for your deposition 9 today, so thank you. 10 Just for the record, when did you take 11 office as Governor of the State of Michigan? 12 A. January 1, 2011. 13 Q. And at the time you took office, was the State 14 providing greater financial -- a greater level of 15 financial support to the City of Detroit than it is 16 today? 17 A. I would have to check that. 18 Q. Would you be willing to support having the State 19 provide a greater level of financial support than it 20 is today in order to help the City of Detroit with 21 its plan of adjustment and particularly in order to 22 help fund the pension issues? 23 A. In terms of we have many competing interests for the 24 State of Michigan with respect to our budget. I 25 don't make those decisions by myself. It goes</p>	<p style="text-align: right;">Page 12</p> <p>1 Q. Did you have discussions with him with regard to 2 that plan before the June presentation? 3 A. I had discussions that would have been subject to 4 attorney-client privilege. 5 Q. Is it your understanding that that plan includes a 6 two billion dollar note for unsecured creditors? 7 A. Yes. 8 Q. And what's your understanding of what that plan 9 includes with regard to vested pension benefits for 10 the citizens of Detroit? 11 A. The proposal includes some portion of that note 12 being allocated towards pensioners. 13 Q. So the plan does not include just leaving the vested 14 pension benefits alone, does it? 15 A. Well, with respect to the funded piece of pension 16 plans, that's available. There's an open question 17 with respect to the unfunded portion. 18 Q. Do you understand that in a Chapter 11 corporate 19 bankruptcy case that the Pension Benefit Guaranty 20 Corporation or the PBGC provides federal insurance 21 for beneficiaries of a pension if a defined benefit 22 plan is terminated? 23 A. Yes. 24 Q. And is it your understanding that in a Chapter 9 25 bankruptcy case there is no similar protection for</p>

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<p>1 vested pension benefits?</p> <p>2 A. Yes.</p> <p>3 Q. What's your understanding of how the Detroit</p> <p>4 citizens, the AFSCME retirees will support</p> <p>5 themselves assuming that there's a diminution in the</p> <p>6 current level of pension benefit provided?</p> <p>7 A. Could you clarify your question because you had</p> <p>8 conflicting statements.</p> <p>9 You asked about the citizens of Detroit and</p> <p>10 then you asked about the retirees.</p> <p>11 Q. Well, let's go with the retired citizens of Detroit</p> <p>12 first.</p> <p>13 To the extent that their pensions are</p> <p>14 diminished and there is no PBGC or federal</p> <p>15 protection for them, what's your understanding under</p> <p>16 the plan of -- the proposed plan how they will</p> <p>17 support themselves?</p> <p>18 MS. NELSON: Objection; calls for</p> <p>19 speculation, form, foundation.</p> <p>20 THE WITNESS: Given that we're in the</p> <p>21 Chapter 9 process, there's been no plan presented at</p> <p>22 this point in time.</p> <p>23 BY MS. LEVINE:</p> <p>24 Q. We already had a little bit of a discussion that</p> <p>25 you're aware of the plan that was presented to</p>	<p>1 attorney and other bankruptcy professionals paid</p> <p>2 ahead of retirees in connection with the Chapter 9</p> <p>3 process?</p> <p>4 A. I view that as a legal matter because that's a</p> <p>5 subject matter of how Chapter 9 bankruptcies work.</p> <p>6 Q. The question I was asking was whether or not you</p> <p>7 believe it's fair. I'm not asking you whether or</p> <p>8 not it's a legal matter.</p> <p>9 A. Well, I view it as just speculation on my part</p> <p>10 because we're in Chapter 9, so that would be part of</p> <p>11 the legal process.</p> <p>12 Q. Is it your understanding that the Wall Street</p> <p>13 creditors, municipal bond holders will share in this</p> <p>14 two billion dollar note alongside of the retirees</p> <p>15 with regard to their unsecured claims?</p> <p>16 A. Again, there has been no plan presented in</p> <p>17 bankruptcy, so that would be a hypothetical. If you</p> <p>18 go back to the proposal to the creditors, that was</p> <p>19 to be part of good faith negotiations, and there was</p> <p>20 an attempt to do that so that would have all been</p> <p>21 consensual.</p> <p>22 Q. Do you believe it's fair to pay Wall Street-type</p> <p>23 municipal bond creditors ahead of retirees?</p> <p>24 A. Again, that's part of the mutual negotiations that</p> <p>25 were part of the proposal for creditors.</p>
Page 14	Page 16
<p>1 creditors in June of 2013, correct?</p> <p>2 A. That was part of going through a process from the</p> <p>3 City of Detroit asking its creditors for good faith</p> <p>4 negotiations.</p> <p>5 Q. Right. And under that plan, to the extent there was</p> <p>6 an underfunding with regard to the pensions, there</p> <p>7 was going to be some change made to the pension</p> <p>8 benefits, correct?</p> <p>9 A. That would depend on mutual agreement between the</p> <p>10 parties.</p> <p>11 Q. Well, assuming that there is a reduction for the</p> <p>12 moment in pension benefits, have you had any</p> <p>13 conversations with Kevyn Orr with regard to whether</p> <p>14 or not there would be any other benefit or provision</p> <p>15 made to the retirees of the City of Detroit that</p> <p>16 were going to lose pension benefits as a result of</p> <p>17 that plan?</p> <p>18 A. Those discussions would have been subject to</p> <p>19 attorney-client privilege.</p> <p>20 Q. What's your understanding of the options that are</p> <p>21 available to the City of Detroit?</p> <p>22 A. Well, again, we're in bankruptcy now so there's been</p> <p>23 no plan presented by the City at this point in time,</p> <p>24 so that's a hypothetical.</p> <p>25 Q. Do you believe it's fair to have the bankruptcy</p>	<p>1 Q. Prior to the time that Detroit filed for bankruptcy,</p> <p>2 is it your understanding that House Speaker Bolger</p> <p>3 had any involvement or discussions with Kevyn Orr</p> <p>4 with regard to the bankruptcy filing?</p> <p>5 A. I don't recall.</p> <p>6 Q. Did he have discussions with you with regard to the</p> <p>7 bankruptcy filing?</p> <p>8 A. In terms of speaking to Speaker Bolger, occasionally</p> <p>9 I would give updates on what was going on with the</p> <p>10 City of Detroit.</p> <p>11 Q. And did he express any views with regard to the</p> <p>12 Chapter 9 filing?</p> <p>13 A. Not that I recall.</p> <p>14 Q. Did you have any conversations with Randy</p> <p>15 Richardville prior to the Chapter 9 filing?</p> <p>16 A. It would be the same with Speaker Bolger, that as</p> <p>17 part of the normal process I would give updates on</p> <p>18 where the situations stood.</p> <p>19 Q. Do you have any recollection of what he said to you</p> <p>20 with regard to those updates?</p> <p>21 A. No.</p> <p>22 Q. On or about July 18, when you authorized Detroit's</p> <p>23 Chapter 9 filing, what was your understanding of the</p> <p>24 dollar amount of the pension obligations that were</p> <p>25 underfunded?</p>

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<p>1 deferential to his partners or recent former 2 partners at Jones Day?</p> <p>3 A. No. Because, in fact, the City of Detroit made the 4 determination to hire Jones Day, and they went 5 through with that process, and that was a separate 6 independent process that I believe actually occurred 7 prior to Kevyn Orr joining the City of Detroit as 8 emergency manager.</p> <p>9 Q. Did you consider whether it would be difficult for 10 Mr. Orr to favor the interests of the City over the 11 interests of Jones Day?</p> <p>12 A. I don't understand your question because I don't 13 understand why Jones Day would be in conflict with 14 the City of Detroit. They're representing the City 15 of Detroit.</p> <p>16 Q. And aren't they being compensated by the City of 17 Detroit?</p> <p>18 A. They are being compensated by the City of Detroit.</p> <p>19 Q. Isn't there less of an appearance of conflict if it 20 had been a different law firm that had been retained 21 by the City of Detroit than Kevyn Orr's prior firm?</p> <p>22 A. And that's why it was important that he resigned and 23 severed all ties.</p> <p>24 Q. During the discussions that you had with Kevyn Orr 25 prior to the time that he was appointed as emergency</p>	<p>1 emergency manager or at any time during the period 2 of time that he was appointed as emergency manager 3 on July 18th with regard to outsourcing?</p> <p>4 A. I don't recall with respect to the interview 5 process, and there has been discussions about 6 looking at providers of services in both internal 7 and external services for the City of Detroit since 8 that date.</p> <p>9 Q. For that same period of time, during the interview 10 process and up to and including July 18th or 19th, 11 did you have any conversation with Kevyn Orr with 12 regard to selling or monetizing assets such as the 13 art, Belle Isle and water and sewer and other assets 14 of Detroit?</p> <p>15 A. Those discussions would have been subject to 16 attorney-client privilege.</p> <p>17 Q. Is it your understanding that the sale of assets are 18 one of the things that are under consideration in 19 connection with the restructuring plan that Kevyn 20 Orr proposed during June of 2013?</p> <p>21 A. I don't recall that portion of the proposal.</p> <p>22 Q. What's your view on monetizing these assets as part 23 of a restructuring plan including the art, Belle 24 Isle and water and sewer and some of the other 25 assets of Detroit?</p>
Page 42	Page 44
<p>1 manager or after he was appointed as emergency 2 manager but before July 18th, did you ever discuss 3 with Kevyn Orr outsourcing for the City of Detroit?</p> <p>4 A. Could you explain what you mean by outsourcing?</p> <p>5 Q. As part of the business plan for the City of 6 Detroit, the City of Detroit is looking at -- 7 potentially looking at outsourcing some of the 8 services that are currently performed by City 9 employees; is that correct?</p> <p>10 A. They're looking at the most efficient ways to 11 deliver services to the citizens of Detroit.</p> <p>12 Q. Is that yes?</p> <p>13 A. That would include that. In terms of looking at 14 other alternatives, some of those were outlined, in 15 fact, during the consent agreement in terms of 16 looking at opportunities such as having the Detroit 17 Economic Growth Corporation handle the planning and 18 zoning activities of the City of Detroit, and that 19 was done in the context of the Mayor and the City 20 Council approving that consent agreement.</p> <p>21 Q. I'm going to try again.</p> <p>22 Did you have any conversations with Kevyn 23 Orr prior to the time that he was appoint -- prior 24 to the time that he was -- during the interview 25 process, prior to the time that he was appointed as</p>	<p>1 A. Again, that's a hypothetical discussion because it 2 would really come down to what's presented in the 3 plan of adjustment within the context of the 4 bankruptcy court, and it hasn't been done at this 5 point.</p> <p>6 Q. Well, I'm asking your view of whether or not those 7 items should be on the table in connection with the 8 structuring of that plan?</p> <p>9 A. I view those as primarily Kevyn Orr's decisions 10 because he's the emergency manager for the City of 11 Detroit.</p> <p>12 Q. During the interview process, prior to Kevyn Orr's 13 selection but during the period of time you were 14 talking to him, did you ever express a view that 15 vested pension benefits should not be modified by 16 the emergency manager for the City of Detroit?</p> <p>17 A. I don't recall.</p> <p>18 Q. Did you have discussions prior to the time that 19 Kevyn Orr was selected with regard to your views 20 about whether or not vested pension benefits should 21 be modified?</p> <p>22 A. I think that's just what -- what's different than 23 the prior question?</p> <p>24 Q. Are you saying you don't recall?</p> <p>25 A. I don't recall.</p>

<p style="text-align: right;">Page 57</p> <p>1 Q. Have you ever been involved in a business, Governor 2 Snyder? 3 A. Yes. 4 Q. Isn't it true to assess the financial picture of a 5 business you need to know both the assets and the 6 liabilities of the business? 7 A. This is a different situation in terms -- 8 Q. Could you answer my question? 9 A. Yes. 10 Q. The answer to my question is yes? 11 A. Yes. 12 Q. Okay. At the time you received Mr. Orr's July 16th, 13 2013 letter, do you know whether Mr. Orr or his 14 staff had undertaken an analysis such that they knew 15 with specificity the City's cash flow? 16 A. There had -- there was extensive work done doing 17 cash flow analysis of the City. Some of that work 18 was included in the proposal to creditors back in 19 June -- 20 Q. Okay. 21 A. -- in addition to reports that had been provided 22 under his obligation as emergency manager. 23 Q. But at the time that you received the July 16th, 24 2013 letter, do you know whether Mr. Orr or his 25 staff had done an analysis which allowed them to</p>	<p style="text-align: right;">Page 59</p> <p>1 A. Not that I recall. 2 Q. Do you know whether a significant portion of 3 Detroit's unfunded pension liability is allocable to 4 the City's Water and Sewer Department? 5 A. I'm not aware of that relationship. 6 Q. Okay. Is that something that you think would be 7 relevant to a determination about whether or not the 8 City should pursue a bankruptcy? 9 A. I haven't considered that as a question. 10 Q. Okay. Let me now refer you to page six of 11 Exhibit 1, and at the bottom paragraph of the page 12 there's a reference to the June 14th creditor 13 proposal. Do you see that? 14 A. Yes. 15 Q. Okay. And you were familiar with that proposal when 16 you received this letter on July 16th? 17 A. Generally familiar. It's a 128-page document. 18 Q. Okay. 19 20 (Deposition Exhibit 2 was marked.) 21 22 BY MR. DeCHIARA: 23 Q. I'd like to mark as -- well, I've already marked as 24 Exhibit 2, and I'll ask you to identify what I'll 25 identify for the record as a July 18th, 2013 letter</p>
<p style="text-align: right;">Page 58</p> <p>1 know with specificity the extent of the City's cash 2 flow? 3 A. I believe they had. 4 Q. Okay. Did you ever discuss that with Mr. Orr? 5 A. That would be a matter of attorney-client privilege. 6 Q. Well, whether it's a matter of attorney-client 7 privilege is a legal question, and you have counsel 8 here who can object if she believes that a question 9 infringes on the attorney-client privilege, so I 10 would ask you to answer the question. 11 MS. NELSON: You can answer yes or no. 12 THE WITNESS: Yes. 13 BY MR. DeCHIARA: 14 Q. Yes, you did have discussions? 15 A. Yeah. 16 Q. And were those discussions -- were other people 17 present other than you and Mr. Orr in those 18 discussions? 19 A. Yes. 20 Q. Isn't it true you had one-on-one conversations with 21 Mr. Orr prior to the bankruptcy filing? 22 A. Yes. 23 Q. Okay. In any of those one-on-one conversations with 24 Mr. Orr did you ever have a discussion of the City's 25 cash flow?</p>	<p style="text-align: right;">Page 60</p> <p>1 from you to Mr. Orr and Mr. Dillon. 2 Is Exhibit 2 your response to what's been 3 marked as Exhibit 1? 4 A. Yes. 5 6 (Deposition Exhibit 3 was marked.) 7 8 BY MR. DeCHIARA: 9 Q. Governor, I've had the court reporter mark as 10 Exhibit 3 a document which bears the title City of 11 Detroit Proposal for Creditors, June 14th, 2013. 12 Let me represent to you that this document 13 was attached to the Orr Declaration that was filed 14 in the bankruptcy proceeding as the City's proposal 15 for creditors. 16 Let me -- did you see this document in any 17 prior form before it was made public on or about 18 June 14th, 2013? 19 A. Yes. 20 Q. And do you plan -- were you shown drafts of the 21 document? 22 A. I'd seen a draft or so. I can't recall whether it 23 was one or more. 24 Q. Okay. And who showed them to you? 25 A. Again, I don't recall.</p>

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<p>1 It doesn't say I agree with that or disagree with 2 that. It simply says I authorized it to go forward 3 where a plan would be presented to a judge that 4 could be the result of further negotiations, 5 mediations, all kinds of work that ultimately a 6 judge would decide. 7 Q. Okay. I'm not addressing your July 18th letter. 8 A. Yeah. 9 Q. I'm just pegging the question -- 10 A. Okay. 11 Q. -- by time frame as of July 18th. 12 A. Okay. 13 Q. So as of July 18th, did you share Mr. Orr's view 14 that there had to be significant cuts in pension 15 liabilities? 16 A. Based on the current situations with negotiations, 17 that continued to be the position that would be on 18 the table going into bankruptcy. 19 Q. Again, I'm not sure that was responsive. 20 A. Uh-huh. 21 Q. As of July 18th, 2013, did you share Mr. Orr's view 22 that whether through negotiation or other means that 23 there as an end result had to be significant cuts in 24 accrued pension liabilities? 25 A. I wouldn't use the word had to be but likely could</p>	<p>1 negotiation that would be satisfactory to the 2 parties involved. 3 That didn't happen in terms of that regard 4 but I still had hope to say that as you go through 5 the bankruptcy process I viewed it as likelihood 6 that there was less flexibility under the bankruptcy 7 process just because of the nature of federal 8 bankruptcy law than there probably was before. 9 Q. Was it your view that as of July 18th in the 10 bankruptcy one way or another accrued pension 11 liabilities would have to be reduced? 12 A. Based on the facts going into it, it was one of 13 those questions, as you said, there was a likelihood 14 of that happening. 15 Q. That's not my question. 16 A. Yes. Yeah, I believe there's a likelihood there 17 could be reductions in unfunded pension liabilities. 18 Q. Okay. I'm not asking -- 19 A. Yeah. 20 Q. Governor, I'm not asking you to predict the 21 likelihood of what might have happened. 22 A. Okay. 23 Q. I'm asking you whether you believed that in 24 bankruptcy there would have had to be one way or 25 another reductions in Detroit's accrued pension</p>
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<p>1 be. 2 Q. Okay. Well, Mr. Orr used the word "there must be". 3 A. Uh-huh. 4 Q. Did you share that view that there had to be? 5 A. Not necessarily. 6 Q. Okay. 7 A. Just as I said. 8 Q. Okay. So did you think about this issue as of -- or 9 as of the July 18th, 2013 time frame, had you given 10 thought to whether or not there had to be cuts to 11 accrued pension benefits? 12 A. I gave thought to the issue because I have concern 13 for the retirees, and that was why one of the 14 important questions in my view was to have a retiree 15 representative in the bankruptcy. 16 Q. And what was your -- since you said you gave thought 17 to it, can you articulate what your position was as 18 to whether or not there had to be cuts in accrued 19 pension liabilities? And I'm focusing on your views 20 on the matter as of July 18th, 2013. 21 A. My view going back prior to that is I had hoped 22 that there would be negotiations to resolve this 23 short of bankruptcy because bankruptcy was a last 24 resort; that I hoped that people could come to the 25 table and come up with a mutual understanding and</p>	<p>1 liabilities? 2 A. I would say it's not a hundred percent belief. 3 Q. But was it a less than 100 percent belief that there 4 had to be reductions? 5 A. Again, if you looked at the numbers, as we discussed 6 earlier, those are significant numbers, and it would 7 be hard to see how it could be a hundred percent. 8 Q. Let me -- did you discuss with anyone other than 9 your legal counsel and Mr. Orr whether there had to 10 be cuts to Detroit's accrued pension liability? 11 A. When you say other people, there would be people 12 from the administration in the meetings that we had. 13 Q. Who did you discuss that issue with? 14 A. There could be any number of people that would 15 include my chief of staff, Andy Dillon, and other 16 people of the administration. 17 Q. And what did you and Andy Dillon discuss on that 18 issue? 19 MS. NELSON: I'm going to object on the 20 grounds of attorney-client privilege. These 21 discussions occurred in the meetings with Mr. Orr 22 and his counsel. 23 MR. DeCHIARA: Well, there hasn't been 24 testimony to that effect. 25 MS. NELSON: He just said it.</p>